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SUBJECT: JAPAN BANK FOR INTERNATIONAL COOPERATION OFFICIAL
DISCUSSES FUTENMA, STRATEGIC PRIORITIES

Classified By: Deputy Chief of Mission James P. Zumwalt for Reasons 1.4
(B), (D)

¶1. (C) SUMMARY: Japan Bank for International Cooperation (JBIC) strategic planning head Tadashi Maeda told Embassy Tokyo Economic Minister Counselor the Democratic Party of Japan (DPJ) leadership's failure to move forward on Futenma relocation will likely remain a problem well into the next year and assessed Prime Minister Hatoyama's foreign policy advisor Jitsuro Terashima has little sense of the importance of the issue in Washington. Maeda said support for high-speed rail investment and nuclear energy are key elements of the bank's focus in the United States. Maeda added JBIC is heavily focused on low-carbon technology investments overseas, specifically citing Japan's interest in the Masdar City project in the United Arab Emirates. END SUMMARY.

DPJ STANCE ON FUTENMA "DANGEROUS"

¶2. (C) Maeda, whose portfolio includes leading JBIC's role in financing the relocation of U.S. forces in Japan to Guam, told EMIN during a December 10 courtesy call that Terashima is strongly influencing Prime Minister Hatoyama's thinking on Futenma relocation. However, Maeda said, Terashima is focused solely on domestic considerations and has little perspective on the broader implications for the security alliance nor a network of meaningful contacts in Washington, which makes him "dangerous for Hatoyama to listen to." Maeda added that he met with Foreign Minister Katsuya Okada the week of November 30 to discuss JBIC's role in the relocation of U.S. forces, and Maeda concluded Okada "seems to understand how dangerous" the situation is. Nevertheless, Maeda predicted the issue will remain unresolved until well into the next year, and said Hatoyama is using opposition to Futenma relocation from junior coalition partners such as Social Democratic Party leader Mizuho Fukushima as "an excuse."

JBIC SUPPORTS HIGH-SPEED RAIL

¶3. (C) Maeda said he has met with Japan Railways (JR) Central Chairman Yoshiyuki Kassai, whom he described as strongly "pro-U.S." and pledged JBIC will give maximum support to the firm's efforts to export high-speed rail technology to the U.S. in the context of promoting low carbon technologies. Maeda described high-speed rail as a "good showcase" to broaden the scope of U.S.-Japan cooperation, and said bids on projects in Florida, Washington DC, Los Angeles-Las Vegas, and Texas would be priorities for Japan. Maeda also said he has had discussions with Ministry of Finance Budget Bureau Director General Eijiro Katsu, whom he claimed also supports such efforts.

¶4. (C) Maeda said JBIC is working to "recrystallize" its environmental technology financing operations, and said support for Japanese firms' exports of nuclear technology and battery technology as leading priorities. He noted the bank is working closely with Toshiba to finance exports of advanced boiler-water reactor (ABWR) and AP1000 nuclear power plants, specifically citing Toshiba's involvement in the South Texas Project. Maeda said the construction of a zero-emissions model city in Masdar, United Arab Emirates is also a signature project for the bank's efforts to support exports of clean energy technology. Maeda also claimed to be a personal advisor to Deputy Primer Minister Naoto Kan on clean energy technology policy.

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